

JULY 25, 2006

**CITY OF GUNNISON COUNCIL
REGULAR SESSION MINUTES**

7:00 P.M.

The Regular Session was called to order at 7:00 P.M., by Mayor Ferguson with City Councilors Medina, Harriman, and Nesbitt present along with City Attorney Landwehr, City Manager Coleman, City Clerk Davidson, Police Chief Anderson, Community Development Director Westbay, Finance Director Hanson, several interested citizens and the press. Councilor Miller was out of town.

Mayor Ferguson informed Council that Dan Pilon had requested to be removed from the agenda. He was scheduled under Item E. in Pre-Scheduled Citizens. Council concurred with the removal. Also, the Mayor reminded Council that Councilor Miller had informed them at last week's Work Session meeting that he would be absent from tonight's meeting.

Councilor Nesbitt moved and Councilor Medina seconded the motion to excuse Councilor Miller from this evening's Regular Session meeting.

Roll call vote, yes: Medina, Harriman, Ferguson, Nesbitt. So carried.

Roll call vote, no: None.

Consideration of Minutes:

Regular Session Minutes of July 11, 2006.

Councilor Nesbitt moved and Councilor Harriman seconded the motion to approve the Regular Session Minutes of July 11, 2006, as submitted. Councilor Nesbitt mentioned the letter that was drafted by Council last week, addressed and sent to the Upper Gunnison River Water Conservancy District Board, concerning the City's stance on the importance of preserving our water resources. This was discussed at the Work Session and was therefore not included in the minutes being considered for action.

Roll call vote, yes: Harriman, Ferguson, Nesbitt, Medina. So carried.

Roll call vote, no: None.

Pre-Scheduled Citizens:

Gunnison-Crested Butte Tourism Association Mid-Year Update – Jane Chaney and Board Members. Present from the Tourism Association (TA) was Director Jane Chaney, Marketing Coordinator Rob Strickland, Public Relations Director Beth Buehler and TA Board Members Eric Ferchau, Mark Schumacher, and Steven Pierotti. Mr. Strickland reported on the website and telephone traffic. Contacts are up substantially, with a 217% increase over June, 2005. Featured events on the website were discussed. Beth Buehler, Public Relations Director, gave a report on the media activities of the TA. She provided the clip books for Council to peruse. Ms. Buehler reviewed the monthly PR reports to the Board, the media section on the website, recent news releases, and placement in several in-flight magazines. Councilor Nesbitt asked about the wedding piece on the website and Ms. Chaney reviewed those webpages. Ms. Chaney then handed out the September Splendor event brochures and informed Council about the marketing for that month-long event. The impact of Club Med was discussed and Ms. Chaney stated she expects to see a drop in local lodging funds in 2007 but anticipates them to be back up in 2008.

Gunnison Events Coordinator Update – Sally Palmer and Tammy Scott. Ms. Palmer discussed the groups and events she has worked on this summer. She is now working more on the volunteer program and the events guide. More events are needed on Memorial Day and Labor Day weekends. Councilor Medina suggested a railroad heritage event for one of those weekends. Ms. Palmer stated she is shying away from being the coordinator for events and is working with groups instead. Councilor Nesbitt asked Ms. Scott about the summer operations of the Chamber of Commerce and discussed the TA/Chamber fulfillment piece.

Gunnison Public Arts Murals Project Update – Ann Santarella and Don Seastrom. Ms. Santarella and Mr. Seastrom gave Council a prototype drawing of the City water tank mural project. They then showed a short video showing the work of artist Fred Haberlein, who will be painting the tank murals. A 3-D model will be shown to Council for final approval before the project commences. Ms. Santarella stated they feel the tank murals will be a landmark and tourist attraction.

Presentation of 2005 City Audit. – City Clerk Davidson apologized to Council for not pulling this from the agenda. City Auditor Dean Johnson was unavailable for this evening's meeting and the Finance Department is still proofing the audit document. Mr. Johnson is scheduled to formally present the Audit to Council at the August 8th Regular Session Meeting.

Illegal Immigration Issues – Dan Pilon. This item was removed from the agenda at Mr. Pilon's request.

Unfinished Business:

Spencer Avenue @ N. Highway 135 Intersection Project. City Manager Coleman informed Council that CDOT had offered additional grant funds but it was not enough to complete the project. The City would have to come up with approximately \$67,000 in unbudgeted funds to do the project this year. It is staff's recommendation to reject the K.E.C.I. bid and postpone the project until it can be incorporated into Street Capital Projects.

Councilor Nesbitt moved and Councilor Medina seconded the motion to reject the bid from K.E.C.I., notify the State the City will not be expending the grant funds, and postpone the project until it can be funded by the City as a capital street project.

Roll call vote, yes: Ferguson, Nesbitt, Medina, Harriman. So carried.

Roll call vote, no: None.

New Business:

Action on Request to Fund Insurance for Gunnison Car Show. This item was discussed at last week's Work Session meeting. City Manager Coleman reviewed a draft policy from Staff that recommends non-profit organizations can obtain event insurance under the City's CIRSA policy, thus potentially saving them a high insurance premium cost, but the City will not pay the cost of the premium. Therefore, Staff is recommending Council approve the Car Show's insurance coverage under CIRSA, the City's insurance carrier, and that the expense for the premium be covered by the Car Show organizers. Car Show representatives Gary Shondeck and Mike Callihan asked questions about the Continuing Challenge Grant process and monies they receive. Finance Director Hanson informed them the Continuing Challenge Grant applications for 2007 will be mailed out in August to all of the groups.

Councilor Harriman moved and Councilor Medina seconded the motion to approve the recommendation from Staff and accept the special event insurance policy as presented and to allow the Gunnison Car Show to use the City's CIRSA insurance coverage for their event with the Gunnison Car Show organizers to pay the cost of the premium.

Mayor Ferguson stated this can be changed by Council at any time; Councilor Nesbitt stated the event has great value to the community; and Councilor Harriman stated she applauds their efforts but there is an issue of possibly needing that City money elsewhere and this provides a substantial savings to the Car Show as in-kind service.

Roll call vote, yes: Medina, Harriman, Ferguson. Motion carried.

Roll call vote, no: Nesbitt. Councilor Nesbitt stated he did not like how the motion was phrased.

Action on License Agreement with T. Morgan and Ruth Spradling to Place a Fence on City Right-of-Way at 321 N. Taylor Street. This item was discussed at last week's Work Session meeting. Community Development Director Westbay and Ms. Ruth Spradling informed Council the City had received the required insurance policy. Nothing else had been changed in the Agreement since last week's meeting.

Councilor Nesbitt moved and Councilor Harriman seconded the motion to approve the License Agreement, as presented on July 25, 2006, with T. Morgan and Ruth Spradling to place a fence on City R-O-W at 321 N. Taylor Street.

Roll call vote, yes: Medina, Harriman, Ferguson, Nesbitt. So carried.

Roll call vote, no: None.

Action on License Agreement with Interiors to Place an Awning Over City Sidewalk at 214 N. Main Street. This item was discussed at last week's Work Session meeting. There is a minor typographical change to the document. In the italicized portion of the property description on page one, in line two, the words "of the" should be deleted.

Councilor Nesbitt moved and Councilor Medina seconded the motion to approve the License Agreement, as presented on July 25, 2006, with Interiors to place an awning over the City sidewalk at 214 N. Main Street.

Roll call vote, yes: Harriman, Ferguson, Nesbitt, Medina. So carried.

Roll call vote, no: None.

2nd Quarter 2006 Financial Update. Finance Director Hanson addressed Council and reviewed the following:

- General Fund is tracking well with 43% of the budget expended and revenues at 38%;
- A \$83,635 mineral leasing check was just received, bringing that revenue to half-way collected for 2006. Of course, these funds will not be available in 2007;
- In the CTF, the Community Center landscaping is from some 2005 grants and they have not quite received half of the projected revenues at this time;
- The Ditch Fund has ½ of their revenues collected and should have a large check in October. Alternate funding for the ditch fund will have to be found in 2007;
- Fleet Fund is on schedule and the Firemen's Pension fund will receive the State contribution in October;
- The Insurance Fund has a net premiums over revenues of approximately \$52,000, however this doesn't include the \$125,000 loan to the General Fund made last year;
- Electric fund expenses are at 39% and revenues collection at 56%;
- Water Fund expenses are at 43% and revenues collected at 53%;
- Wastewater Fund expenses are at 46% and the revenues collected at 31%;
- Refuse Fund is at 42% and revenues at 53%, the rate increase is covering the expenses this year;
- Communications Fund is at 48% and revenues at 62%, as some agencies pay upfront for the year; and
- Cranor Hill operations brought in \$6,000 in revenues, an 108% increase over 2005.

Councilor Medina asked if the fuel costs projections were covering expenses. Director Hanson stated it doesn't look like we're over budget yet but we will need an increase in 2007 for both fuel and utilities.

Ordinance and Resolutions:

Resolution No. 6, Series 2006; Re: Commending Kenneth Medina for His Service on City Council.

Councilor Nesbitt introduced Resolution No. 6, Series 2006, and it was read in its entirety by the Mayor.

Councilor Nesbitt moved and Councilor Harriman seconded the motion that Resolution No. 6, Series 2006, **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, RECOGNIZING KEN MEDINA FOR HIS SERVICE AND CONTRIBUTIONS TO THE CITY OF GUNNISON**, be introduced, read, passed and adopted this 25th day of July, 2006.

Roll call vote, yes: Ferguson, Nesbitt, Medina, Harriman. So carried.

Roll call vote, no: None.

Ordinance No. 9, Series 2006; Re: Lease/Purchase for Water Department Storage Building and Motor Grader, 1st Reading.

Councilor Harriman introduced Ordinance No. 9 Series 2006, and it was read by title and with Section 1. by the City Attorney.

Councilor Harriman moved and Councilor Nesbitt seconded the motion that Ordinance No. 9, Series 2006, **AN ORDINANCE AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE A GOVERNMENTAL MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT AND SCHEDULE OF PROPERTY, WHICH CONTAINS AN OPTION**

TO PURCHASE, WHEREIN CALIFORNIA FIRST NATIONAL BANK IS LESSOR AND THE CITY OF GUNNISON, COLORADO, IS LESSEE, FOR A MOTOR GRADER AND MODULAR METAL STORAGE BUILDING FOR THE USE OF THE CITY OF GUNNISON PUBLIC WORKS DEPARTMENT, be introduced, read, passed and ordered published on first reading this 25th day of July, 2006, and copies be made available to the public.

Roll call vote, yes: Nesbitt, Medina, Harriman, Ferguson. So carried.

Roll call vote, no: None.

City Attorney: Rod Landwehr. Nothing further to report.

City Manager: Ken Coleman. Reported on the following: He received a letter from a citizen commending the Gunnison Police Department for their coverage on the rodeo grounds/carnival area during Cattlemen's Days; The Colorado Water Workshop starts at WSC tomorrow and if any of Council would like to attend the City has two registrations available; and City Fest will take place on Thursday, from 11AM to 1PM at Jorgensen Park. It is a good way to get citizen input.

Acting City Manager: Police Chief Greg Anderson - Police Departmental Report: Chief Anderson reported on the following: His report is in their packets; The Police Officer candidate they had been working with at the academy has taken a higher paying job elsewhere; The 20th Annual Police and Fire Games are taking place in Gunnison this week and Council is invited to attend a barbeque at Jorgensen Park on Friday at 5:00 P.M.; The Romanian Police Exchange Program will take place from August 9th through the 24th and Council is invited to attend a luncheon in Council Chambers at noon on Thursday, August 10th; The Student/Citizens Police Academy is slated to commence in September; and Council is encouraged to participate in a ride-along with the PD if they would like.

City Clerk: Gail Davidson. Nothing to report.

Non-Scheduled Citizens: None.

General Discussion/Items for Work Session:

Councilor Medina: Reported the RTA met in Gunnison and talked about the following: The impact of Club Med leaving; The negotiations with the airlines for the 2006-2007 flights; The grants for the purchase of 3 buses; The City needs to look at park-n-ride locations; and the need to even out the City and County transportation tax in the next election.

Councilor Harriman: Reported: The Planning Commission will not meet tomorrow evening; the Housing Authority Trust Fund met to discuss how the trust fund monies will be disbursed and she will get information to Council when it's available; the Detention Facility Committee met this morning and are finalizing the proposal that will go to the Board of County Commissioners. The facility will be built on the southeast corner of the existing Courthouse, will have 70 beds with the capability to expand to 92 beds, and the County will be asked to finance \$900,000 with County sales tax funds to buy down the cost of the project to \$6 million over 15 years. The Committee is recommending the building be LEAD certified to be energy efficient and save tax dollars in the operations of the facility and the ballot language will be presented to the Commissioners next Tuesday. Councilor Harriman suggested the committee come to Council and give a presentation. She will schedule it with the City Clerk when the committee is available.

Councilor Harriman stated she has received citizen requests for public restrooms in the downtown area, the need for the trash to be collected more often on busy weekends and has received complaints on the sidewalk sale at Gene Taylors. City Manger Coleman indicated the City is working with a class at the college on IOOF Park design, including restrooms, but all plans need to be approved by the Oddfellows since they own the land. Manager Coleman also stated Staff has been working with all of the sidewalk sale vendors to insure they comply with the vending policy. The whole issue of sales – transient merchant, sidewalk vending, sandwich board signs, etc., will be brought to Council this winter for further discussion. He will get with the Public Works Director about the trash situation.

Councilor Nesbitt: Discussed the UGRWCD board had not seen the letter sent from Council last week. He calculated the City has spent over \$300,000 since 1992 on water issues and this sends a message to the State on the City's commitment to preserving our water rights. Councilor Nesbit suggested inviting the UGRWCD Board City representatives to a Council Work Session to get input from Council. The City Clerk will schedule that for the early fall.

Mayor Ferguson: Nothing further to report.

Adjournment: At 8:57 P.M.

Mayor

City Clerk